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Dear Dan:

A few days ago, Bob discussed with Hazel the rewording of Amendment No. 11 to Contract No. A-102. Based on these conversations, I would appreciate your incorporating the following new Materials Paragraph into the next Amendment we make to this contract, if the wording is all right with you.

"2. Materials --

For raw materials and fabricated parts entering directly into the products, the contractor will be reimbursed allowable costs of direct material, freight, transportation and material handling as determined by the Contracting Officer in accordance with Part 2 Section XV of the Armed Services Procurement Regulation, plus divisional General and Administrative expense used in computing the contract hourly rates for each period. This paragraph shall be retroactive for the entire term of the contract."

It may be less confusing if this Materials Paragraph were made applicable to both the repair and retrofit and the implant support sections of this contract, i.e. Appendix Ic and Appendix II.

Sincerely,

Jack
Jack

Basis for Audit #13

65. HV 6 5 120

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